



General Assembly

Substitute Bill No. 6639

January Session, 2005

* _____ HB06639LAB__032905_____ *

**AN ACT CONCERNING OFFSETS AGAINST DISABILITY
RETIREMENT BENEFITS FOR STATE EMPLOYEES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 5-170 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2005*):

4 (c) Retirement income payments shall not be reduced: (1) For a
5 member receiving a specific indemnity award under section 31-307 or
6 31-308; (2) for a member who received a judgment for personal injuries
7 and pain and suffering under the provisions of section 31-293,
8 provided [he] the member has reimbursed the state in full for all sums
9 expended by it under chapter 568; or (3) by the amount of any
10 attorney's fees a member incurs to obtain benefits under the Workers'
11 Compensation Act or federal Social Security disability benefits.

12 Sec. 2. Subsection (d) of section 5-192p of the general statutes is
13 repealed and the following is substituted in lieu thereof (*Effective July*
14 *1, 2005*):

15 (d) Notwithstanding the provisions of subsection (c) of this section,
16 the following maximum benefit limitation shall apply. In order to
17 verify the operation of the maximums, it shall be a condition precedent
18 to receipt of any disability benefits under this section that a member

19 authorize the Social Security Administration to provide the Retirement
20 Commission, on an ongoing basis, any information with regard to
21 covered earnings or Social Security benefits payable. In the event both
22 of the maximums indicated below apply, the lesser disability benefit
23 shall be payable. Such maximums shall be subject to reexamination
24 annually, as indicated in subsection (e) of this section.

25 (1) The disability benefit provided under this subsection shall not
26 exceed (A) one hundred per cent of the member's final average
27 earnings or the rate of salary of the member on date of disability,
28 whichever is greater, less (B) any periodic cash benefit payments being
29 made to a member under the Workers' Compensation Act, less (C) any
30 federal disability Social Security benefits both primary and family paid
31 on account of the member's Social Security earnings history, less (D) all
32 outside earned salary or wages unless the Retirement Commission
33 determines that such salary or wages are being paid as part of the
34 rehabilitation of the disabled member. Any such determination that
35 such earned salary or wages is for rehabilitation must be reapproved
36 by the Retirement Commission no less frequently than every eighteen
37 months, or the offset shall apply. The offset for workers' compensation
38 and federal Social Security disability benefits shall apply when such
39 benefits commence even if such benefits initially commence after the
40 member's disability retirement date.

41 (2) The disability benefit provided under this subsection shall not
42 exceed (A) eighty per cent of the greater of the member's final average
43 earnings or the rate of salary of the member on the date of disability,
44 less (B) any periodic cash benefit payments being made to a member
45 under the Workers' Compensation Act, less (C) any federal disability
46 Social Security benefits, both primary and family being paid on
47 account of the member's Social Security earnings history. The offsets
48 shall apply when such benefits commence even if such benefits
49 initially commence after the member's disability retirement date.

50 (3) The offsets for workers' compensation and federal Social Security
51 disability benefits shall be reduced by the amount of any attorney's

52 fees a member incurs to obtain such benefits.

53 Sec. 3. Subsection (g) of section 5-169 of the general statutes is
54 repealed and the following is substituted in lieu thereof (*Effective July*
55 *1, 2005*):

56 (g) Twenty per cent of all outside earned salary or wages shall be
57 offset against the disability retirement payments by the state during
58 the first two years of disability. On or after October 1, 1987, at the
59 expiration of such period, if the total disability benefits and outside
60 earnings exceed one hundred per cent of the pay of such member at
61 the date of disability, adjusted annually by a percentage increase equal
62 to the cost of living allowances applied to the member's disability
63 retirement benefits pursuant to this chapter, the disability payment
64 will be reduced by the amount such total exceeds such adjusted
65 earnings. Notwithstanding the foregoing provisions of this section, the
66 following maximum benefit limitations shall apply if the member's
67 date of disability occurs on or after January 1, 1984. Such maximum
68 benefit limitations shall apply coincident with the receipt of benefits
69 under subsection (d) of section 5-142 by any member of the Division of
70 State Police within the Department of Public Safety. To verify the
71 operation of the maximums, members shall authorize the Social
72 Security Administration to provide the Retirement Commission, on an
73 ongoing basis, any information with regard to covered earnings or
74 Social Security benefits payable. In the event both of the maximums
75 indicated below apply, the lesser disability benefit shall be payable.
76 Such maximums shall be subject to reexamination annually, as
77 indicated in subsection (h) of this section.

78 (1) The disability benefit provided under this section shall not
79 exceed one hundred per cent of the member's base salary or the rate of
80 salary of the member on his date of disability, whichever is greater,
81 less any periodic cash benefit payments being made to a member
82 under the Workers' Compensation Act, less any federal disability
83 Social Security benefits, including primary and family, paid on account
84 of the member's Social Security earnings history, less all outside earned

85 salary or wages, unless the Retirement Commission determines that
 86 such salary or wages are being paid as part of the rehabilitation of the
 87 disabled member. Any such determination that such earned salary or
 88 wages is for rehabilitation must be reapproved by the Retirement
 89 Commission no less frequently than every eighteen months, or the
 90 offset shall apply. The offset for workers' compensation and federal
 91 Social Security disability benefits shall apply when such benefits
 92 commence even if such benefits initially commence after the member's
 93 disability retirement date.

94 (2) The disability benefit provided under this section shall not
 95 exceed eighty per cent of the member's base salary or the rate of salary
 96 of the member on the date of disability, whichever is greater, less any
 97 periodic cash benefit payments being made to a member under the
 98 Workers' Compensation Act, less any federal disability Social Security
 99 benefits, including primary and family, being paid on account of the
 100 member's Social Security earnings history. The offsets shall apply
 101 when such benefits commence even if such benefits initially commence
 102 after the member's disability retirement date.

103 (3) The offsets for workers' compensation and federal Social Security
 104 disability benefits shall be reduced by the amount of any attorney's
 105 fees a member incurs to obtain such benefits.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	5-170(c)
Sec. 2	<i>July 1, 2005</i>	5-192p(d)
Sec. 3	<i>July 1, 2005</i>	5-169(g)

LAB *Joint Favorable Subst.*